

Ventel Telecommunications

1101 30th Street, NW, Suite 500, Washington, DC 20007
(202) 625-4325 • Fax: (202) 625-4363 • www.ventelco.com

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To: Federal Communications Commission
Washington, DC

Re: Public Forum on International Communications

From: Carl Widell, President

Ventel Telecommunications, Inc., is an international reseller of telecommunications traffic. It has focused on addressing the problems in moving telecommunications traffic to, from and within emerging markets, especially in Africa.

We have several observations on how the Federal Communications Commission has assisted us in addressing problems in emerging markets. We also have some observations on how the FCC might be of even more assistance.

1. Interconnection and Equal Access. Ventel has found that the related policy issues of interconnection and equal access are poorly understood in many emerging markets that have begun to privatize their telecommunications sectors.

The former government-owned telecommunications carrier usually dominates newly privatized markets. They are unsure how to react to newly formed competition and often refuse access to facilities, such as microwave systems, fiber optic cable or satellite earth stations. Emerging telecommunications companies are faced with duplicating expensive infrastructure if they are to be competitive. The public policy result is the creation of duplicative, partially used, facilities throughout the marketplace.

Somalia provides an example of the problems brought about by a poorly defined public policy on interconnection and equal access. Several potential governments compete for legitimacy in different regions of Somalia, resulting in a lack of public policy enforcement. Nevertheless, the telecommunications market is burgeoning throughout the country. Competing companies do not share infrastructure, so each telecommunications company must build its own microwave links to other cities. This has resulted in duplicative systems and has prevented rapid build out of countrywide infrastructure. Each new telecommunications company must address the problem of an entire national build out.

The FCC has influenced the public policy issues of interconnection and equal access in a positive way in other areas of Africa. In Ghana, one of the countries where the FCC works closely with local authorities, the Ghanaian government has forced the former PTT, Ghana Telecom, to open its facilities to other telecommunications companies. Ghana Telecom resisted, but lost its case in court, and since last December has been forced to open its facilities to its rivals. The FCC has played an important role in raising the public policy issues of interconnection and equal access to the Ghanaian authorities resulting in a demonstrable improvement in the utilization of national infrastructure.

2. The importance of effective legal systems. Many emerging markets do not have effective legal systems in place. In some instances, former colonial governments imposed the legal system over traditional means of justice. In these areas, what might appear to be a rational, Western-based legal code, actually functions more along the lines of the traditional system. The Western based system is largely given lip services. I would offer the small East African country of Djibouti as an example. Many aspects of the legal

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system follow French legal codes. In fact, deeply rooted Muslim tradition often functions where the French legal code does not.

In other areas, the legal system functions surprisingly well. Again, I would offer the example of Ghana, which has a strong judiciary built along the lines of British common law. Court decrees are routinely followed. Because of the similarity to US common law, it is an attractive place for a US based company to do business.

The FCC can play an important role in providing an assessment of legal systems in various emerging markets for US based telecommunications companies. Because understanding the local law is essential to the expansion of US telecommunications trade in these areas, it would be extremely helpful if the FCC could publish a list of countries, what style of law is followed, and how effectively that law is carried out.